

A nighttime photograph of the Lodi Archway, a white, arched structure spanning a street. The archway is illuminated with warm lights, and the word "LODI" is prominently displayed in glowing orange letters on its central section. The archway is flanked by decorative pillars topped with spherical lights. In the background, a large, classical-style building with columns is visible under a twilight sky with orange and blue hues. Trees and foliage are in the foreground, partially obscuring the view.

Grow in Lodi

A DEVELOPMENT
PROSPECTUS

Executive Summary

- Lodi is an inclusive, growing, tradition-based city of 68,752 people (in a region of 762,148).
- Lodi's population has grown by 8.8 percent since 2010.
- Lodi's diversified economy, built on the wine grape, agriculture, manufacturing, healthcare, and logistics has created 10.2% job growth in 5 years.
- More than **\$87.5 million** public investment has been invested within the city limits between 2014-2022.
- More than **\$502.4 million** private investment has been/will be invested within the city limits between 2014-2024.
- City has one Opportunity Zone and 9 New Markets Tax Credit-eligible Census Tracts.
- City has its own Electric Utility.
- City has its own Water and Wastewater Utility.
- City has its own Police and Fire Departments.
- Lodi has lower business license fees, sales tax and lower utility user costs than many southern California cities.

LODI DEVELOPMENT PROSPECTUS CONTENT

3

LODI BY THE NUMBERS

**CATALYTIC
INVESTMENTS**

MARKET STRENGTHS

OPPORTUNITIES

**RECOMMENDATIONS
TO STIMULATE
BUSINESS GROWTH**

LODI DEVELOPMENT BY THE NUMBERS

4

Top Business & Economic Indicators

WAGE GROWTH 2015-2020
+10%

JOB GROWTH is Up 2015-2020
10.2%

STARTUP ACTIVITY Is Down
145 in 2015 to **20** in 2020
(Dun & Bradstreet)

WORKER PRODUCTIVITY 2019 (MSA)
\$176,250/per worker

INNOVATION RATES 2015-2020
17.6
(US Patent Office)

LODI BY THE NUMBERS

Top Business &
Economic
Indicators

EXPORTS MSA (2019)

\$5.6 billion (EDD)

ELECTRIC RATES ARE COMPETITIVE
and
RELIABILITY IS HIGHER
99.9948%

TAX BURDEN RANK IS INCREASING
2020-#**49** (CA)
(Tax Foundation,)

BUILDING PERMITS ARE UP
12% (2015-2020)

REGULATORY ENVIRONMENT
13 Weeks

SMALL BUSINESS LOAN ACTIVITY 2017-2019
\$34.7 Million

GROSS REGIONAL PRODUCT 2019
\$34.4 Billion (MSA)

LODI BY THE NUMBERS

6

Top Business & Economic Indicators

AMOUNT OF VENTURE CAPITAL
\$10.87 Million
(Pitchbook)

ESTABLISHMENTS SURVIVING 5 YEARS Or MORE Is Up
2015-2020
3% (Dun & Bradstreet)

PERCENT EMPLOYED IN ADVANCED INDUSTRIES
2020
7.2% (EMSI)

POPULATION 25+ WITH ASSOCIATE'S DEGREES OR
HIGHER 2020
34.24%

POPULATION 25+ WITH A BACHELOR'S DEGREE OR
HIGHER
19.2%

UPWARD MOBILITY RATES AVERAGE
19% (range 8.2 – 42%)
(Opportunity Atlas)

LODI BY THE NUMBERS

Top Business & Economic Indicators

AVERAGE COMMUTE TIMES

25.1 minutes

CAR COLLISION RATES 2015-2020 800 to 274

-66%

CRIME INDEX Is Lower 2015-2019

330.6-236.1

HEALTH CARE ACCESS

93.4%

LODI ELECTRIC UTILITY INFRASTRUCTURE SPENDING

2018-2020

\$5.1 Million

PUBLIC INFRASTRUCTURE SPENDING 2015-2020

\$12 Million

ROAD QUALITY

66 FAIR

LODI EMPLOYMENT BREAKDOWN

8

	2016*	2020**	2016-2020 Growth	2016-2020 % Growth
Agriculture, forestry, fishing, hunting and mining	1,798	159	-1,639	-91.0
Arts, entertainment, recreation, accommodation and food services	2,654	2,489	-165	-6.0
Construction	2,094	1,113	-981	-46.0
Educational services, health care and social assistance	5,858	8,325	2,467	42.0
Finance, insurance, real estate, rental, and leasing	1,294	6,656	5,362	414.0
Information	271	531	260	95.0
Manufacturing	2,756	3,498	742	26.0
Other services except public administration	1,766	1,392	-374	-21.0
Professional, scientific, management, administrative and waste management services	2,085	1,519	-566	-27.0
Public administration	1,473	1,040	-433	-29.0
Retail trade	2,930	4,408	1,478	50.0
Transportation, warehousing and utilities	1,551	757	-794	-51.0
Wholesale trade	725	1,284	559	77.0
TOTAL	27,255	33,171	5,916	21.0

CATALYTIC INVESTMENTS IN LODI

Industrial Sector

9



CEPHEID CENTRAL PLANT

of new jobs

2019 - 1446

2020 - 1662

2021 - 2560

2022 - 3513

2023 - 3920

2024 - 3956

Net Increase - 2,510

SF Added-**174,145**

Est. Start - 2020

Value Added-
\$250 M

Est. Completion - **2024**



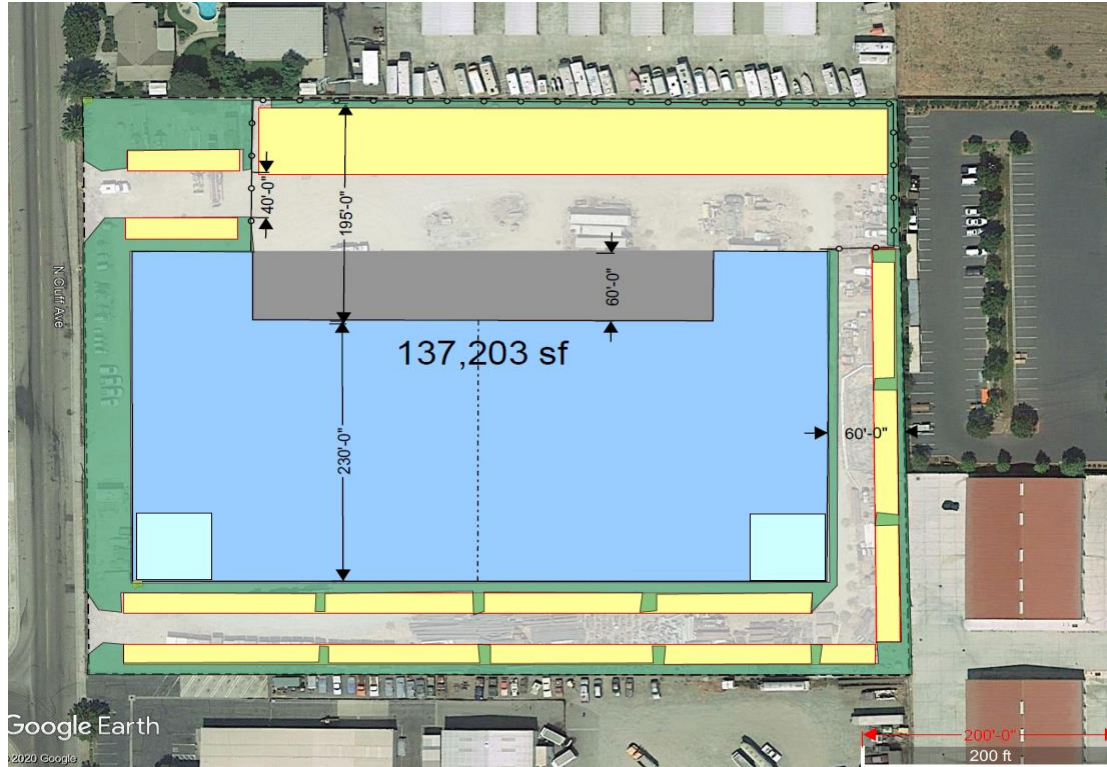
Project Impact Area

CATALYTIC INVESTMENTS IN LODI

Industrial Sector

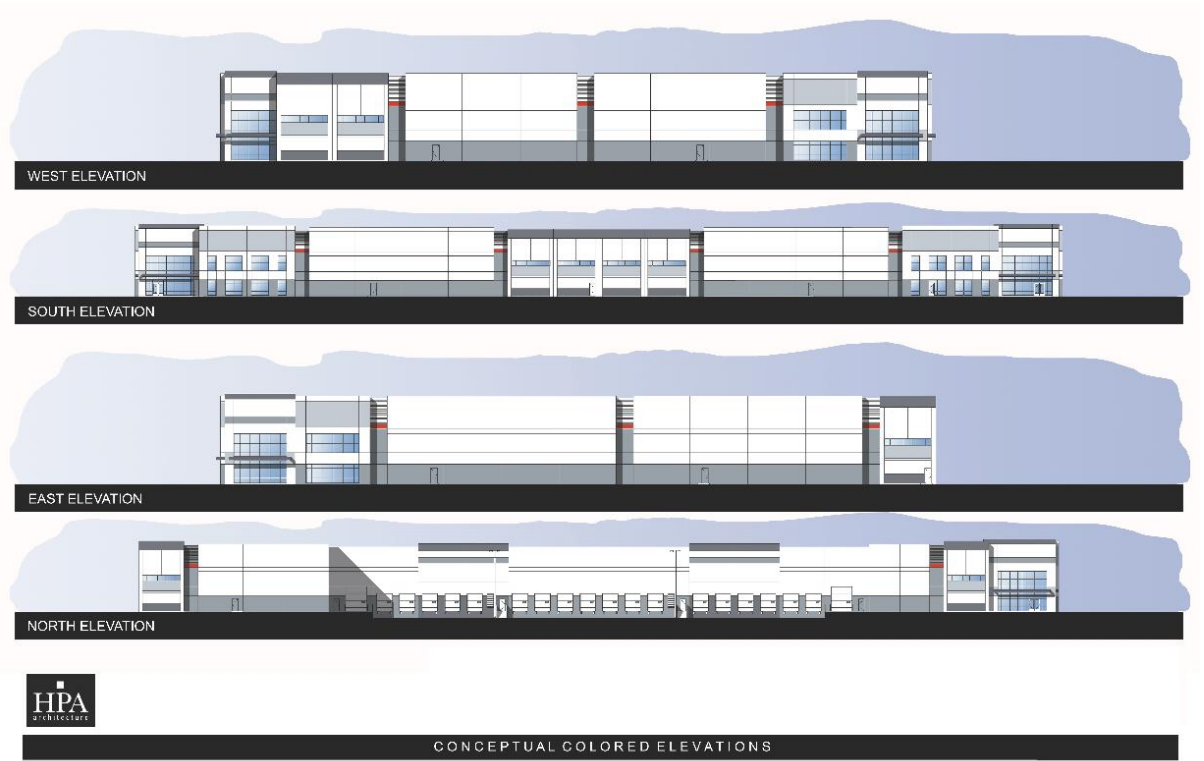
10

N. Cluff Avenue- Potential Distribution Center



SF Added-**137,203**

Value Added- TBD



Est. Start- TBD

Est. Completion-
TBD

CATALYTIC INVESTMENTS IN LODI

Industrial Sector

11

SF Added - **20,683**

Value Added - **\$8 M**

Completion **2022**



CATALYTIC INVESTMENTS IN LODI

DOWNTOWN RETAIL & RESTAURANT

12



NORTH - LOCKEFORD STREET ELEVATION

SF Added - **16,000**

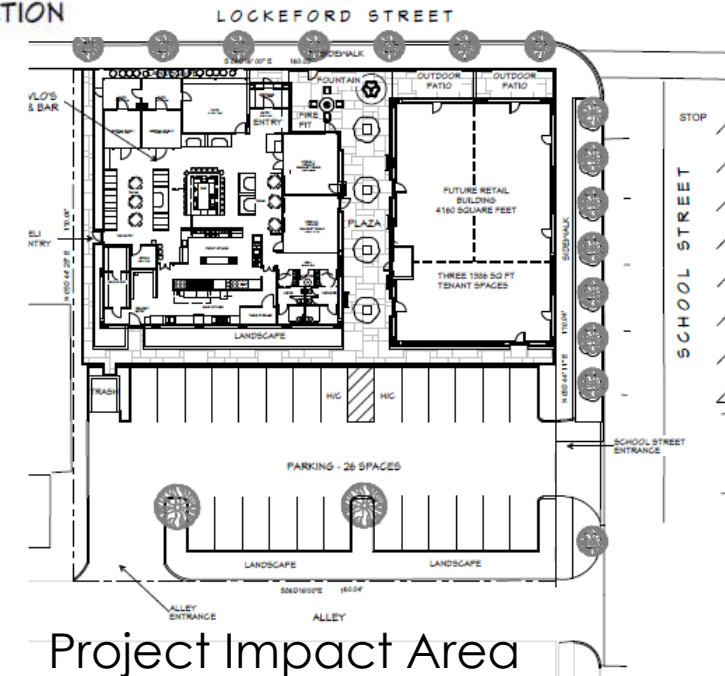
Value Added - **\$1.2-\$2.0 M**

Retail- Complete

Restaurant Completion- **2021**



LODI - DEVELOPMENT PROSPECTUS



Project Impact Area

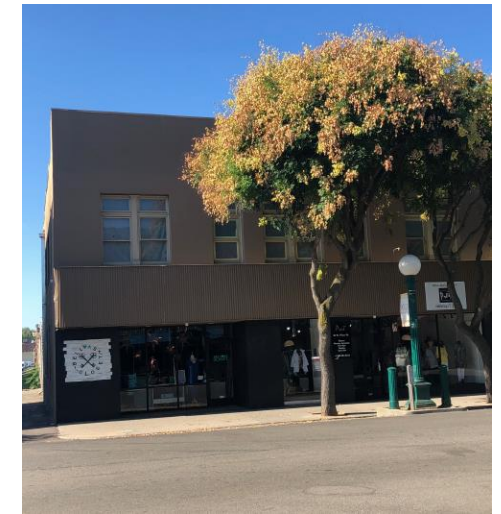
CATALYTIC INVESTMENTS IN LODI

DOWNTOWN OFFICE

13



SF Renovated – **5,500** Value Added – **\$1.5 M** Complete - **2022**

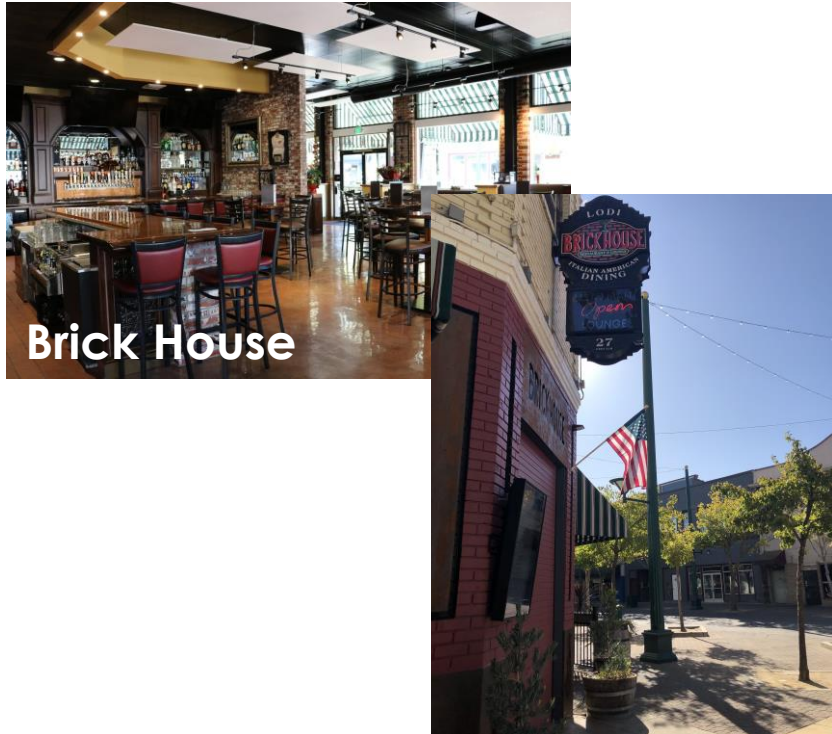


Existing Exterior

CATALYTIC INVESTMENTS IN LODI

14

DOWNTOWN RETAIL & RESTAURANT RECENTLY COMPLETED



Brick House

SF Added - **16,000**

Value Added - **\$750,000**

Completed 2019



Lodi Beer



SF Added - **16,000**

Value Added - **\$750,000**

Completed 2020



BREWERY, PRODUCTION & DISTILLERY RENDERING
THE DANCING FOX

SF Added - **12,500**

Value Added - **\$3 Million**

Under design

CATALYTIC INVESTMENTS IN LODI

DOWNTOWN RETAIL & RESTAURANT

15



SF Added - **42,650**

Value Added - **\$6 M**

Complete - **70 percent**



EXTERIOR RENDERING
LODI BOWLING

CATALYTIC INVESTMENTS IN LODI

DOWNTOWN RETAIL & RESTAURANT

16

SF Added **6,244**

Value Added-
\$500,000

Est. Start- Late **2021**

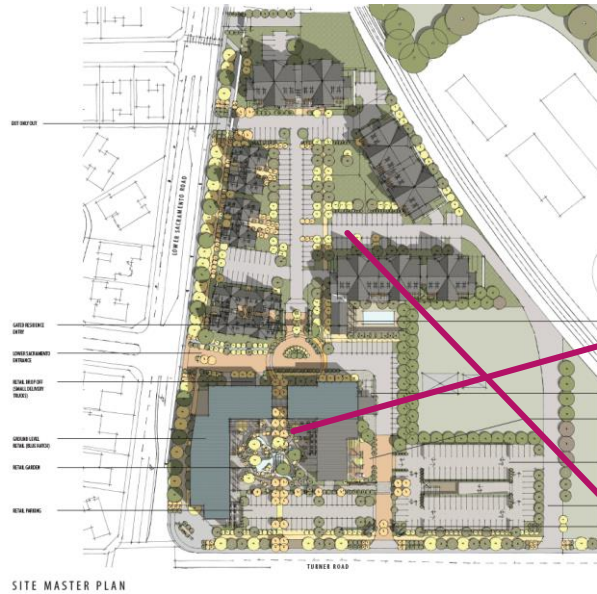


CATALYTIC INVESTMENTS IN LODI

NORTHEAST

17

THE LAKEHOUSE



MIXED-USE

- **Hospitality**
- Condo

Hotel-100 guest rooms
Conference Space
Restaurant

MIXED-USE

Value Added-\$65 M

Environmental Underway

Groundbreaking- **2022**

LODI - DEVELOPMENT PROSPECTUS



MIXED-USE

- Hospitality
- **Condo**

150 residential units

One BR- 60
Two BR- 80
Three BR-10

CATALYTIC INVESTMENTS IN LODI

EAST

18

SUNSET ON THE AVE

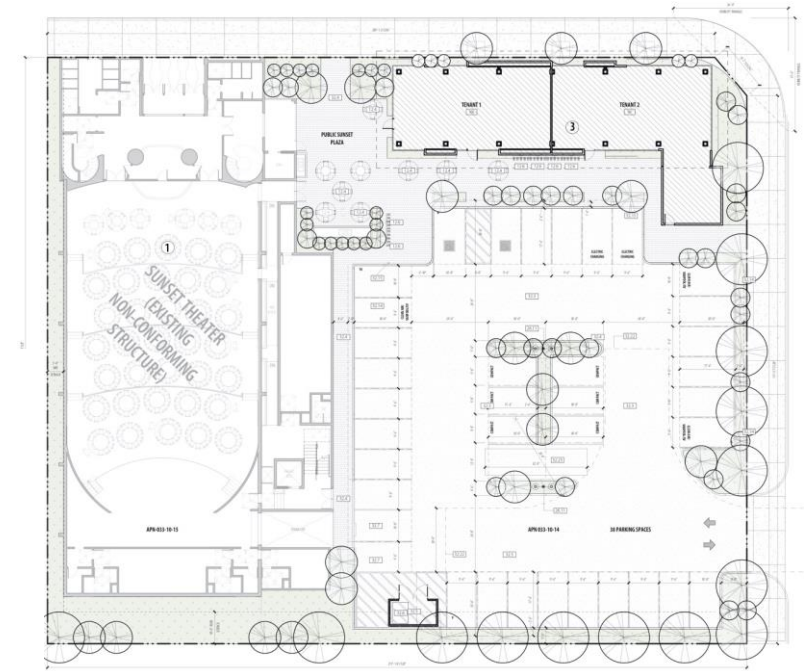
ENTERTAINMENT

- Theater
- Retail
- Outdoor Venue

SF Added- **20,775**

Value Added- **\$5 million**

Completion **20-24 Mo.**



CATALYTIC INVESTMENTS IN LODI

SOUTH

19

BANK OF STOCKTON

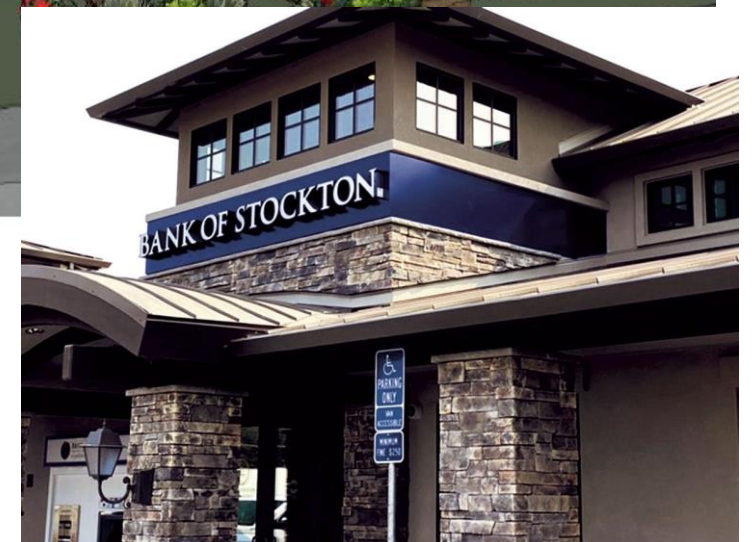
RETAIL

- Bank
- Restaurant

SF Added- **4,000**

Value Added-
\$700,000

Complete



CATALYTIC INVESTMENTS IN LODI

SOUTH

20

KETTLEMAN STATION FAÇADE

RETAIL RENOVATION

- Bank
- Restaurant

SF Renovated- **46,000**

Value Added- \$1-2 M

Est. Completion **2021**



RAISING CANE'S



RETAIL

- Casual Dining Restaurant

SF Added- **3000+/-**

Value Added- \$1.35 M

Est. Completion- 2022



CATALYTIC INVESTMENTS IN LODI

Hospitality

21



Marriott Residence Inn

Rooms- 84

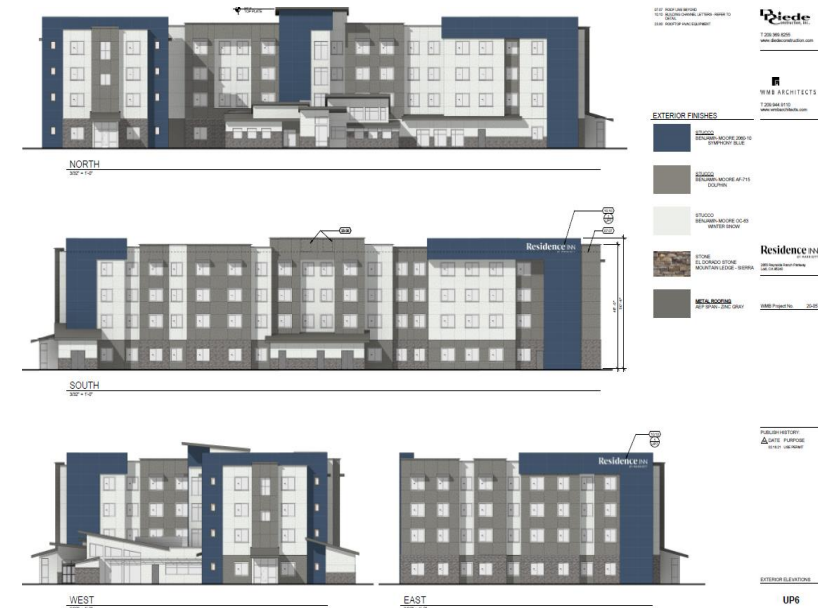
**Added Value-
Est. \$13.4 M**

Est. Start- TBD

Rooms-79

**Added Value-
Est. \$6.7 M**

Est. Start TBD



CATALYTIC INVESTMENTS IN LODI

Residential The Benjamin

22



108 Multi-Family units 48 - Two BR 1090 sf
36 - One BR 820 sf
24 - One BR 655 sf

3000 sf Clubhouse with Pool

North and South Entrance

Natural Space

Value Added \$30 M

Est. Start - mid 2021

Est. Completion – **2023** (18 months)

Applicant's Third Market Rate New Multi-Family Development



CATALYTIC INVESTMENTS IN LODI

Residential

23

LA VIDA SENIOR Value Added- \$28 M

150 Multi-Family units
Clubhouse



BUILDING ONE - WEST ELEVATION - STOCKTON STREET

OAKMONT SENIOR

80 Assisted Living units Facility

Value Added-\$10 M

Amenities

- Bocce Courts
- Putting Green
- Pool
- Gardens
- Outdoor Gathering Space



CLUBHOUSE - WEST ELEVATION - STOCKTON STREET

CATALYTIC INVESTMENTS IN LODI

Residential

24

VINEYARD VALLEY (686 units)*

Phase One- 223 units

Phase Two- 347 units

Phase Three- 116 units

Total- 686 units

Greenspace- 20.2 AC

Est. Developer Cost for Public Improvement

\$4.8 M (Phase One)

* Contingent on annexation

VAN RUITEN RANCH (265 Single Family units)

Est. Start- 2021

Est. Completion-2024

Est. Developer Cost for Public Improvement

\$12.7 M

ROSEGATE 2 (350 Single Family units)

Est. Completion- 2022-2023

Est. Developer Cost for Public Improvements

\$6.7 M

GATEWAY SOUTH (550 Single Family units)

Est. Start-2021

Est. Completion-2023

Est. Total Developer Cost for Public Improvements

\$26 M

GATEWAY NORTH (250 Single Family units)

Est. Start-2021

Est. Completion-2023

Est. Developer Cost for Public Improvement

\$18.3 M

Total of 2101 new units

Market Strengths

Job Growth

Pre-Covid Unemployment-5.4%

Current Unemployment- 8.1%

Recent Job Growth- 2.2%

3 Yr. Job Growth-6.5%

5 Yr. Job Growth-10.2%

Future Job Growth-34.3%

Transportation

Strategically located between I-5 and SR 99

19.9 miles from cargo-centric Stockton regional airport

45.9 miles from Sacramento international airport

17.3 miles from Port of Stockton

\$39.3 Million Exports loaded from Port of Stockton Jan. 2021

Served by Union Pacific Railroad

Reliable Power

Governed locally

131 MW Peak Demand

413 GWH

16.9 cents/KWh Average Rate

13% lower than neighbor utility

14 square mile service territory

99.9948% reliability

Low wildfire threat

Market Strengths

Affordable Water

Governed locally

Plentiful, extraordinarily high-quality water

60% Excess capacity

29.0 million MGD system capacity

11.7 million MGD daily demand

21.0 million peak MGD (summer)

Workforce & Skill Building Initiatives

At least 12 staffed/funded institutions

Delta College

San Joaquin WorkNet

Delta Sierra Adult Education Alliance

Health Force Partners

TDL Partnership

San Joaquin Building Trades Council

IHUB

Code Stack Academy

More

Local Industry Leaders

Laboratory Analytical Instruments

-Cepheid

Consumable Laboratory Products

-Scientific Specialties

Plastics Product Manufacturing

-Dart Container

Plastics Materials and Resins

-North American Specialty Products

Food Producers

-Pacific Coast Producers

CATALYTIC DEVELOPMENT OPPORTUNITIES

Attract a Community College

Marriage between industry, community colleges, and career and technical education is real

2018/2019

- ▶ **\$572.3 Million** Total income added to region annually
- ▶ **1.4 %** Of region's Gross Regional Product
- ▶ **6,897** Total job equivalents supported in the region

2018-2019

For every **\$1** spent by students:

- ▶ Students gain **\$4.70**
- ▶ Taxpayers gain **\$1.20**
- ▶ Society gains **\$8.80**

CATALYTIC DEVELOPMENT OPPORTUNITIES

Attract a Community College

Marriage between industry, community colleges, and career and technical education is real

Operations Spending Impact

College payroll provides

\$91.2 million

added annual region income

Student Spending Impact

Retained Student Spending

\$11.9 million

added annual region income

Alumni Impact

Higher alumni earnings & Increased business profit

\$469.2 million

added annual region income

CATALYTIC DEVELOPMENT OPPORTUNITIES

Attract Quality Affordable Housing

29



PRELIMINARY ENTITLEMENTS PACKAGE, 02/18/21

LODI AFFORDABLE HOUSING



VIEW ALONG STOCKTON STREET

CATALYTIC DEVELOPMENT OPPORTUNITIES

Promote Development of Key Undeveloped Sites

30



CATALYTIC DEVELOPMENT OPPORTUNITIES

Explore Business Incubator to Accelerate Wine Grape, Food and Ag Tech Industry

31



Opportunity Zone Tax Incentives

The Opportunity Zones program offers three tax incentives for investing in low-income communities through a qualified Opportunity Fund.

Temporary Deferral

A temporary deferral of inclusion in taxable income for capital gains reinvested into an Opportunity Fund. The deferred gain must be recognized on the earlier of the date on which the opportunity zone investment is disposed of or December 31, 2026. Legislation pending to 2028.

Step-Up In Basis

A step-up in basis for capital gains reinvested in an Opportunity Fund. The basis is increased by 10% if the investment in the Opportunity Fund is held by the taxpayer for at least 5 years and by an additional 5% if held for at least 7 years, thereby excluding up to 15% of the original gain from taxation.

Permanent Exclusion

A permanent exclusion from taxable income of capital gains from the sale or exchange of an investment in an Opportunity Fund if the investment is held for at least 10 years. This exclusion only applies to gains accrued after an investment in an Opportunity Fund.

OPPORTUNITY ZONE TAX INCENTIVES

33

The Tax Cuts and Jobs Act has established new Internal Revenue code Section 1400Z-Opportunity Zones

Four Parties:

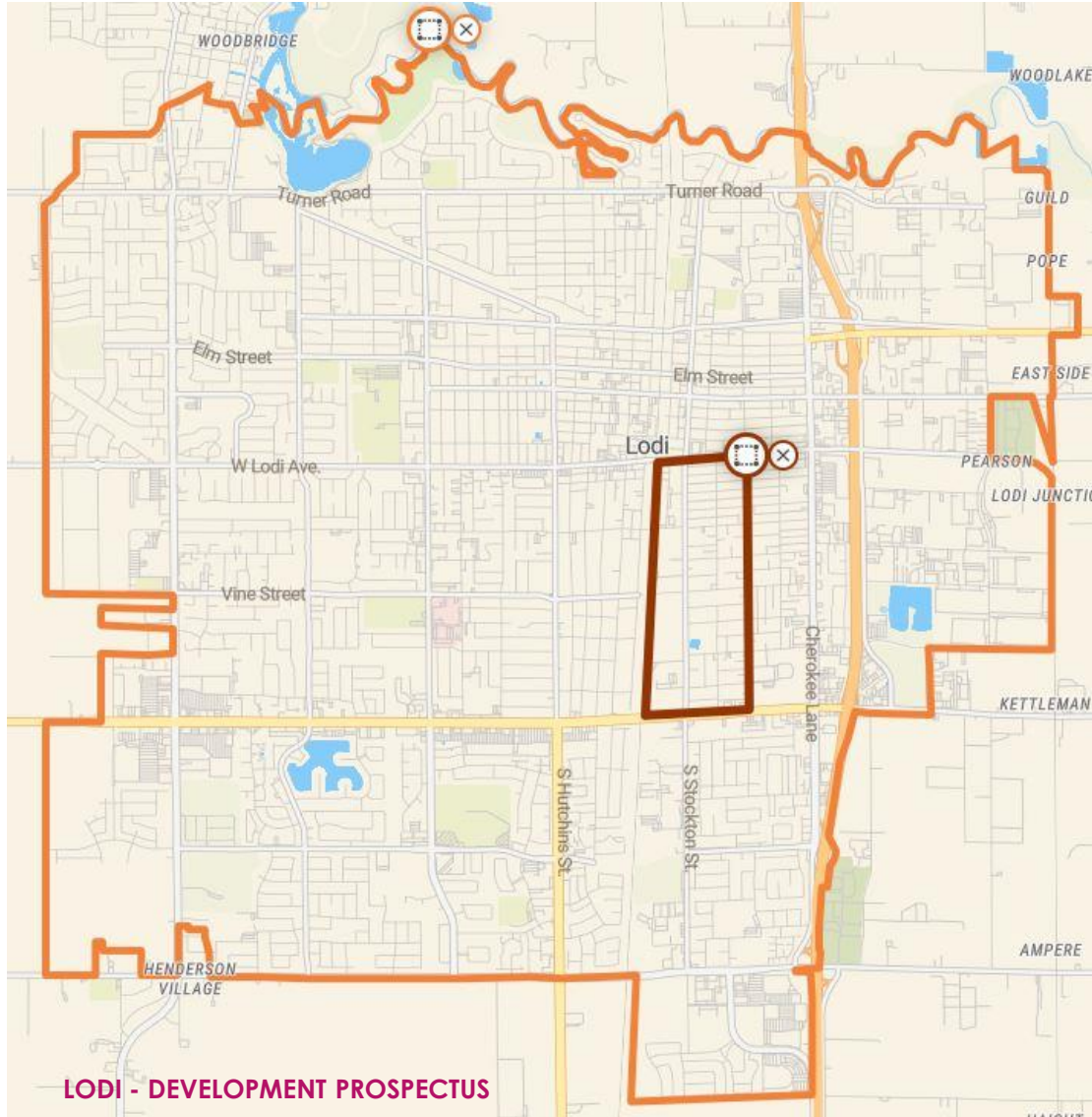


Different Than Other Tax Credits:

- ✓ More market-oriented
- ✓ Residential, commercial real estate, and business investments
- ✓ No benefit cap
- ✓ Return can be massive
- ✓ OZ eligible for other incentives
- ✓ More Lodi areas eligible for incentives

GEOGRAPHY OF LODI OPPORTUNITY ZONE

34



Opportunity Zone Jobs- 2,338

Top 3 Industries-

- Light Manufacturing & Industrial
- Warehousing
- Fruit & Vegetable Processing

SF Undeveloped Land- 73,767 (6 lots)

Average HH income- \$45,644

Median House Value- \$217,600

Owner Occupied- 28.6%

Renter Occupied- 71.4%

Overall vacancy rate- 6.0%

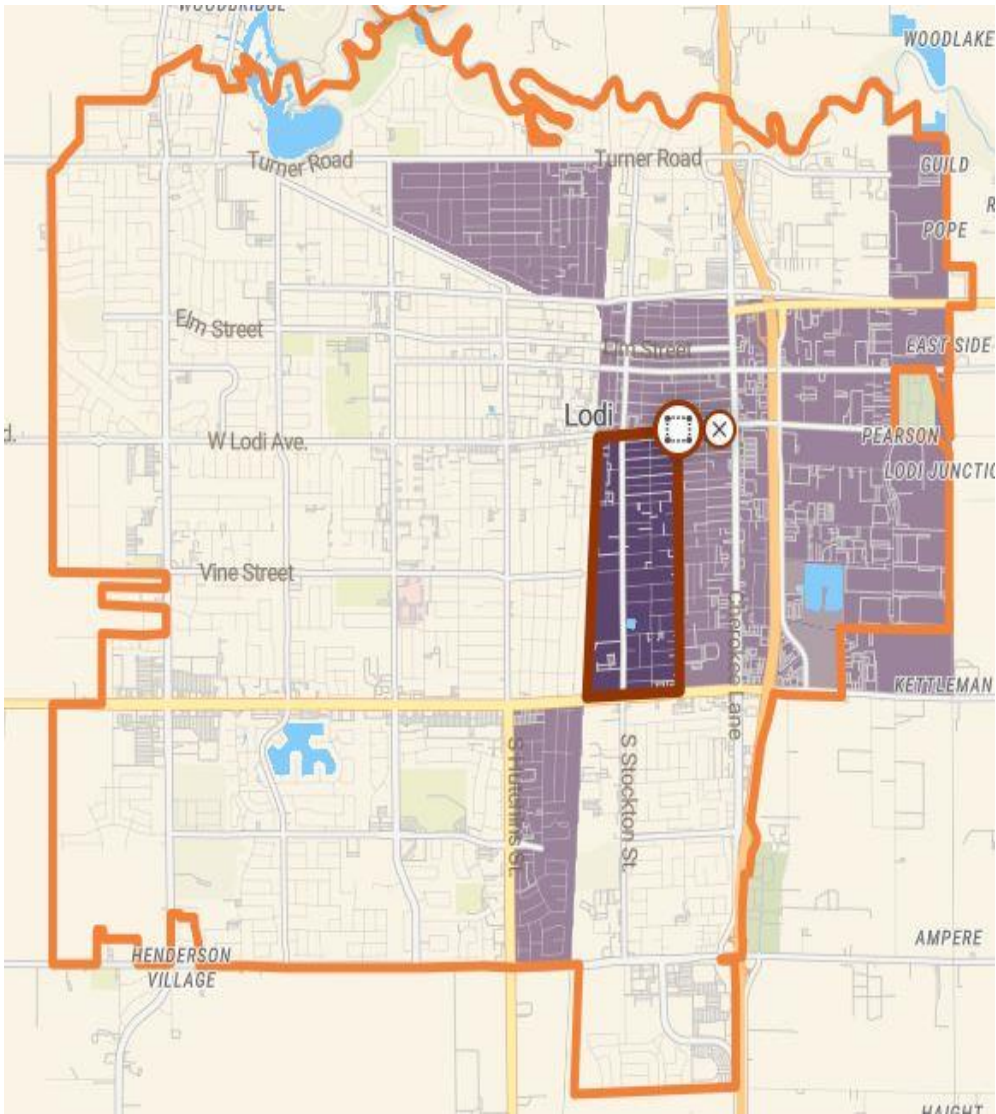
Businesses SF- 6.9 million

Residential SF-3.4 million

Total Assessed Property Values- \$198.2 million

GEOGRAPHY OF LOW & MODERATE INCOME AREAS*

35



LODI - DEVELOPMENT PROSPECTUS

**	HUD PROJECTS	SECTION 8 VOUCHERS	TAX CREDIT PROJECTS
Low-Mod	0	149	0
CITY	0	149	0
COUNTY	986	4198	57

**	# OCCUPANTS/ UNIT	MEDIAN INCOME	MEDIAN RENT
Low-Mod	3.27	\$42,599	\$1,006
CITY	2.81	\$67,484	\$1,118
COUNTY	3.17	\$68,997	\$1,208

*ESRI-based 2020 CENSUS Bureau

**San Joaquin Housing Authority 2019

HOUSING GEOGRAPHY OF LODI DEVELOPMENT ZONES

36

OPPORTUNITY ZONE (2019)

	% Rental Vacancy Rate	% Rental Units	% Owner Occupied units	# Senior Housing	# Low-income units	# Substandard Condition units	Over-Crowding
OZ	7.8%*	71.4%*	28.6%*	0	0	13	n/a
CITY	1.5%	47.5%	52.5%	120	307	78	10.3%
COUNTY	3.6%	43.4%	56.6 %	n/a	1688	n/a	8.6%

*ESRI-based on 2010 US Census Bureau

	% Spend > 30 Percent of income	Housing Affordability Index	Median House Value
OZ	n/a	117	217,600
CITY	36.9%	97	361,000
COUNTY	38.8%	99	390,000

OTHER DEVELOPMENT INCENTIVES FOR LODI INVESTORS

37

New Market Tax Credits

Investors provide capital to community development entities in exchange for tax credits against federal tax obligations.

- Retail and mixed use
- Manufacturing and food processing
- Logistics
- Residential
- Hotel

Affordable Housing Tax Credits

California State Housing Agencies award credits to build/rehabilitate affordable rental housing

- Developers find investors who use tax credits/other tax benefits
- 4% (equates to 30% of costs)
- 9% (equates to 70% of costs)

Manufacturing

- California Manufacturing Sales Tax Exemption
- California Competes Income Tax Credit
- Research & Development Income Tax Credit
- New Employment Tax Credit
- Food Production Investment Program (competitive grants)
- more

What are the opportunities in OZ?

Homeownership

Shared Equity
Homeownership

- Cooperative Building Ownership
- Limited Equity Cooperatives
- Community Land Trust

Quality Affordable Housing

Increase Multi-Unit
Quality Rental

Investor-Driven

Financed by:

Housing Tax Credits
Equity
Debt

Small Business

- Create Small Business Development Center Partnership
- Develop Business Incubator
- Revolving Loan Fund for small business
- Façade/Safety Grant

RECOMMENDATIONS TO SUSTAIN BUSINESS AND STIMULATE GROWTH

39

- ▶ Rebuild and Expand Broadband Fiber for business speed, cloud access, reliability, signal strength, bandwidth, and security
- ▶ Annexation to Increase Supply of Commercial and Industrial Development Land
- ▶ Explore Sales Tax Sharing Agreement to Stimulate Growth
- ▶ Connect Local Business with Exporting Resources
- ▶ Accelerate Wine Grape, Food and Ag Brand/Establish Business Incubator in OZ
- ▶ Establish a Small Business Development Center Partnership in Lodi
- ▶ Establish a Small Business Revolving Loan Fund
- ▶ Accelerate Brownfield Program to include Feasibility Studies, Cleanup and Demolition
- ▶ **Obtain Better Access to Data for Interested Investors**